

**REMARKS/ARGUMENTS**

In this Amendment, Applicants have amended independent claims 1 and 7 to more-particularly claim Applicants' invention. In Applicants' invention, as disclosed in Applicants' specification at least at page 8, beginning at line 13 and in Figure 3, and as now more-particularly claimed in independent claims 1 and 7, when ID information is first detected simultaneously in a pair of ID tags, the parameter adjusting means newly sets a parameter for the pair of ID tags to indicate a measure of the strength of relationship between the pair of ID tags. Thus, at the first time ID information is simultaneously detected for a pair of ID tags (step S303 in Figure 3), the parameter adjusting means newly sets a parameter for that pair of ID tags (step S304) to indicate a measure of the strength of relationship between the pair of ID tags, e.g., whether the pair of ID tags belong to a same group. In this manner, as further explained in Applicants' specification at page 2, beginning at line 16, the present invention can group ID tags distributed in a larger area than the coverage area of a tag reader. This solves the problem in the prior art where the conventional technique cannot group ID tags located in a wide area when first detected because the ID tags are located in an area larger than the coverage area of the tag reader. With the present invention, when ID information is first detected in a pair of ID tags, the parameter adjusting means newly sets a parameter for the pair of ID tags to indicate a measure of the strength of relationship between the pair of ID tags. The set parameter allows for grouping ID tags distributed in a larger area than the coverage area of a tag reader by judging the strength of the relationship of ID tags.

Applicants respectfully submit that the amended feature of independent claim 1 has been added from dependent claim 2. In rejecting dependent claim 2 and claim 7 in the Office Action, the Examiner argues that Swan discloses a process in which an item "enters the tracking system", as disclosed at column 15. However, Applicants respectfully submit that even if in Swan an item is manufactured and associated with a specific Item-ID and then "enters the

tracking system at the first reader” as the item moves from manufacturing, as disclosed at column 15, this does not disclose the features of Applicants’ invention where when ID information is first detected in a pair of ID tags, the parameter adjusting means newly sets a parameter for the pair of ID tags to indicate a measure of the strength of relationship between the pair of ID tags. Even if Swan discloses batch-IDs, these batch IDs do not disclose Applicants’ claimed invention. In Swan, as disclosed at column 12, lines 24-35, “[b]ecause items often come in batches”, each batch of items is given a unique ID. Thus, in Swan, the relationship between the items is known because the items come in batches and the items within a batch are given the batch ID. In Applicants’ invention, a relationship between items is not known and the parameter adjusting means, when ID information is first detected in a pair of ID tags, newly sets a parameter for the pair of ID tags to indicate a measure of the strength of relationship between the pair of ID tags, e.g., whether they are members of a group. Thus, Applicants respectfully submit that Swan and Applicants’ invention operate in fundamentally different ways and that, therefore, amended independent claims 1 and 7 are allowable over Swan.

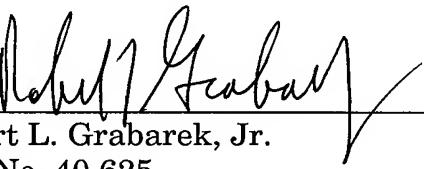
Further in this Amendment, Applicants have amended the pending claims to obviate the Examiner’s objection and rejections under 35 U.S.C. § 112, second paragraph, and have provided a new Abstract of the Disclosure. Applicants respectfully submit that in claim 7 the citation of “the pair of ID tags” in line 6 has proper antecedent basis from the citation of “a pair of ID tags” in lines 5-6.

Applicants respectfully submit that the application is now in condition for allowance. If there are any questions regarding this Amendment or the application in general, a telephone call to the undersigned would be appreciated since this should expedite the prosecution of the application for all concerned.

As provided above, this paper includes a Petition for an Extension of Time sufficient to effect a timely response. Please charge any deficiency in fees, or credit any overpayment of fees, to Deposit Account No. 05-1323 (Docket No. 010755.53231US).

Respectfully submitted,

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## ABSTRACT OF THE DISCLOSURE

To group ID tags distributed in a larger area than the coverage of a tag reader, a parameter which represents a measure of the strength of relationship among a plurality of ID tags is stored in a parameter storage database. Values of the parameter are increased and decreased according to the number of pieces of ID information detected simultaneously in the ID tags by a mobile tag reader. A plurality of ID tags are judged as belonging to the same group according to values of the parameter stored in the parameter storage database, thereby making it possible to group ID tags distributed in a larger area than the coverage of a tag reader.